

Congress of the United States
Washington, DC 20515

September 16, 2009

Senator Max Baucus
Chairman
Senate Finance Committee
Washington, DC 20510

Dear Chairman Baucus:

We write to express our concern regarding the tax on medical device manufacturers included in the Senate Finance Committee health care reform proposal and the effect that a new tax could have on consumer prices, job creation and small businesses.

The medical technology industry continues to provide the essential tools of modern medicine and develops breakthrough treatments that save money and improve the quality of care for patients. In the health care debate, medical technology should be viewed as a cost savings and an industry where growth should be incentivized, not taxed.

Medical technology employs hundreds of thousands of workers across the country, providing quality, high-paying jobs with payrolls well above state averages. Moreover, it is a vital export industry with tens of billions of dollars in international sales. In Minnesota, we have a burgeoning medical technology industry that includes both large manufacturers like St. Jude Medical and Boston Scientific, as well as hundreds of small manufacturers.

Much of this proposed tax would fall on small medical technology companies who face steep start-up costs at the beginning stages of development. Adding another expense to smaller companies would be a disincentive for them to bring new products to market.

We agree that health care reform is needed and must be paid for, but this proposed tax would slow medical innovation, increase costs for consumers, and harm job growth. It could also jeopardize the competitiveness of the American medical technology industry in the global marketplace. On behalf of our many constituents who work in the medical technology industry and benefit from these devices, we urge you to reconsider this proposed tax.

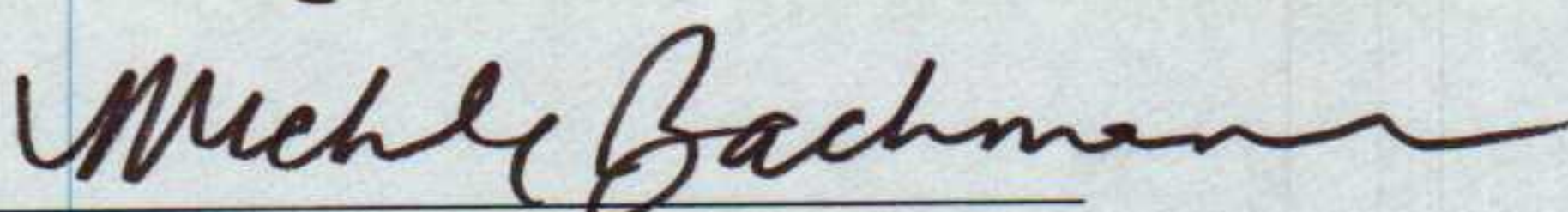
Sincerely,



Representative Erik Paulsen



Representative Betty McCollum



Representative Michele Bachmann